

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 3337 - HB 3550**

February 19, 2010

**SUMMARY OF BILL:** Exempts the retail sale of yearbooks from state and local sales and use tax.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$1,325,100**

**Decrease Local Revenue - \$473,300**

**Assumptions:**

- According to the National Center for Education Statistics, there were 297,785 post-secondary institution students and 964,259 elementary and secondary school students in Tennessee during FY07-08.
- The number of students remains constant in subsequent years.
- Fifty percent of students elect to purchase yearbooks.
- The average price for a school yearbook is estimated to be \$30.
- The current state sales tax rate is seven percent.
- The average local option sales tax rate is estimated to be 2.5 percent.
- The decrease to state revenue is estimated to be \$1,325,100 per year  $[(297,785 + 964,259) \times 50.0\% \times \$30 \times 7.0\% = \$1,325,146]$ .
- The decrease to local government revenue is estimated to be \$473,300 per year  $[(297,785 + 964,259) \times 50.0\% \times \$30 \times 2.5\% = \$473,267]$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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